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Ellacott Stranks & Co. Chartered Accountants Banbury

WEATHERBEETA LIMITED
ABBREVIATED FINANCIAL STATEMENTS

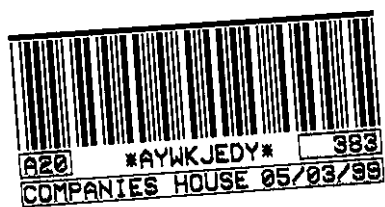
31ST DECEMBER 1998

Registered number: 3006765

ELLACOTT STRANKS & CO.

Chartered Accountants

Banbury





WEATHERBEETA LIMITED

ABBREVIATED FINANCIAL STATEMENTS

for the year ended 31st December 1998

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WEATHERBEETA LIMITED

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COMPANY INFORMATION

31st December 1998

Ellacott Stranks & Co. Chartered Accountants Banbury

INCORPORATED	In England on 6th January 1995
NUMBER	3006765
DIRECTORS	J.E. Singleton R.G. Bates J.M.R. Bucknell G.A. Sinclair J.H.C. Kennard
SECRETARY	M. Abrahart
BANKERS	National Westminster Bank Plc 1 Town Hall Buildings Bridge Street Banbury Oxon.
AUDITORS	Ellacott Stranks & Co. Chartered Accountants Beechfield House 38 West Bar Banbury OX16 9RX



WEATHERBEETA LIMITED

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DIRECTORS' REPORT

31st December 1998

Ellacott Stranks & Co. Chartered Accountants Banbury

The directors present their report and the abbreviated financial statements for the year ended 31st December 1998.

Principal activity

The principal activity of the company during the year was the wholesaling of equestrian equipment.

Business review

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £645,303.

Results and dividends

The results for the year are shown in the profit and loss account on page 5. The directors do not propose payment of an ordinary dividend.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31st December 1998 Ordinary shares	1st January 1998 Ordinary shares
J.E. Singleton	-	-
R.G. Bates	-	-
J.M.R. Bucknell	-	-
G.A. Sinclair	-	-
J.H.C. Kennard	-	-

The directors' interests in the share capital of the parent company are disclosed in that company's financial statements.

continued



WEATHERBEETA LIMITED

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DIRECTORS' REPORT
(continued)

31st December 1998

Ellacott Stranks & Co. Chartered Accountants Banbury

Year 2000 issues

The directors do not foresee any problems associated with rendering existing software 2000 compliant.

Auditors

Ellacott Stranks & Co. have agreed to offer themselves for re-appointment as auditors of the company.

By order of the board

Secretary

M. ABRAMART

DATED 25/2/99



WEATHERBEETA LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Ellacott Stranks & Co. Chartered Accountants Banbury

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements the directors are required to

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board

Director

J.E. SINGLETON

DATE 25/2/99



WEATHERBEETA LIMITED

Auditors' report to
Weatherbeeta Limited
under section 247B of the Companies Act 1985

Ellacott Stranks & Co. Chartered Accountants Banbury

We have examined the abbreviated financial statements set out on pages 5 to 15, together with the financial statements of the company for the year ended 31st December 1998 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 5 are properly prepared in accordance with those provisions.

ELLACOTT STRANKS & CO.
Chartered Accountants
Registered Auditor
Beechfield House
38 West Bar
Banbury
Oxon.

Dated 26th February 1999

WEATHERBEETA LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

for the year ended 31st December 1998

Ellacott Stranks & Co. Chartered Accountants Banbury

	Note	1998 £	1997 £
Gross profit		1,436,786	1,084,029
Net operating expenses			
Administrative expenses		(1,395,795)	(1,058,735)
Other operating income		34,864	19,994
Operating profit		75,855	45,288
Investment income		2,171	2,498
Interest payable		(119,007)	(60,796)
Loss on ordinary activities before taxation		(40,981)	(13,010)
Taxation		25	-
Loss on ordinary activities after taxation		(40,956)	(13,010)
retained for the year	15		

Movements in reserves are shown in note 15.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1998 or 1997 other than the loss for the year.



WEATHERBEETA LIMITED

ABBREVIATED BALANCE SHEET

at 31st December 1998

Ellacott Stranks & Co. Chartered Accountants Banbury

	Note	1998 £	1997 £
Fixed assets			
Tangible assets	7	62,301	55,949
Current assets			
Stocks	8	1,167,626	978,998
Debtors	9	1,144,286	629,720
Cash at bank and in hand		191,310	63,679
		<u>2,503,222</u>	<u>1,672,397</u>
Creditors: amounts falling due within one year	10	<u>(1,172,751)</u>	<u>(408,656)</u>
Net current assets		<u>1,330,471</u>	<u>1,263,741</u>
Total assets less current liabilities		<u>1,392,772</u>	<u>1,319,690</u>
Creditors: amounts falling due after more than one year	11	<u>(747,469)</u>	<u>(1,245,711)</u>
		<u>645,303</u>	<u>73,979</u>
Capital and reserves			
Called up share capital	14	712,280	100,000
Profit and loss account	15	(66,977)	(26,021)
Total shareholders' funds	13	<u>645,303</u>	<u>73,979</u>

continued



WEATHERBEETA LIMITED

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ABBREVIATED BALANCE SHEET
(continued)

at 31st December 1998

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The abbreviated financial statements on pages 5 to 15 were approved by the board of directors on 25th February 1999 and signed on its behalf by:

Director

J.E. SINGLETON

WEATHERBEETA LIMITED

CASH FLOW STATEMENT

for the year ended 31st December 1998

Ellacott Stranks & Co. Chartered Accountants Banbury

	Note	1998		1997	
		£	£	£	£
Net cash outflow from operating activities	17	(333,227)		(187,457)	
Returns on investments and servicing of finance					
Interest received		2,171		2,498	
Interest paid		(119,007)		(60,796)	
			(116,836)		(58,298)
Taxation					
Corporation tax received			25		-
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(22,483)		-	
Sale of tangible fixed assets		910		(358)	
			(21,573)		(358)
			(471,611)		(246,113)
Financing					
Issue of share capital		612,280		-	
Debt due beyond a year:					
Other loan (repayments)/advances		(498,242)		159,807	
			114,038		159,807
Decrease in cash		(357,573)		(86,306)	

WEATHERBEETA LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1998

1 Accounting policies**Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Warehouse equipment	15% & 20% Reducing balance method
Office equipment	15% Reducing balance method
Computer equipment	30% Reducing balance method

Leases and hire purchase contracts

Rentals paid under operating leases are charged to income as incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a weighted average basis.

Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date.

All differences are taken to the profit and loss account.



WEATHERBEETA LIMITED

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NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1998

Ellacott Stranks & Co. Chartered Accountants Banbury

2 Operating profit

	1998 £	1997 £
Operating profit is stated after crediting		
Profit on foreign exchange	9,188	13,639
Profit on sale of assets	910	-
	<u> </u>	<u> </u>
and after charging		
Staff costs (note 3)	350,361	228,930
Auditors' remuneration	6,000	5,650
Operating leases		
Rent	88,131	85,046
Loss on sale of assets	-	358
	<u> </u>	<u> </u>
Depreciation of tangible fixed assets (note 7)		
Owned assets	16,131	15,981
	<u> </u>	<u> </u>

3 Directors and employees

	1998 £	1997 £
Staff costs including directors' emoluments		
Wages and salaries	324,159	211,942
Social security costs	26,202	16,988
	<u> </u>	<u> </u>
	350,361	228,930
	<u> </u>	<u> </u>
Average monthly number employed including executive directors:	Number	Number
Office and management	13	9
Warehouse staff	9	6
	<u> </u>	<u> </u>
	22	15
	<u> </u>	<u> </u>

4 Investment income

	1998 £	1997 £
Interest receivable	2,171	2,498
	<u> </u>	<u> </u>
	2,171	2,498
	<u> </u>	<u> </u>



WEATHERBEETA LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1998

5 Interest payable

	1998 £	1997 £
Bank interest	12,565	3,443
Bank loan interest	106,442	57,353
	<u>119,007</u>	<u>60,796</u>

6 Taxation

	1998 £	1997 £
Corporation tax on loss on ordinary activities at 31% (1997 31.25%)	(25)	-
	<u></u>	<u></u>

7 Tangible fixed assets

	Office Equipment £	Warehouse Equipment £	Computer Equipment £	Total £
Cost				
1st January 1998	8,306	38,188	43,681	90,175
Additions	568	20,012	1,903	22,483
31st December 1998	<u>8,874</u>	<u>58,200</u>	<u>45,584</u>	<u>112,658</u>
Depreciation				
1st January 1998	2,104	10,992	21,130	34,226
Charge for year	1,016	7,779	7,336	16,131
31st December 1998	<u>3,120</u>	<u>18,771</u>	<u>28,466</u>	<u>50,357</u>
Net book amount				
31st December 1998	<u>5,755</u>	<u>39,429</u>	<u>17,117</u>	<u>62,301</u>
1st January 1998	<u>6,202</u>	<u>27,196</u>	<u>22,551</u>	<u>55,949</u>

8 Stocks

	1998 £	1997 £
General stock	1,167,626	978,998
	<u>1,167,626</u>	<u>978,998</u>

WEATHERBEETA LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1998

9 Debtors

	1998 £	1997 £
Amounts falling due within one year		
Trade debtors	843,575	574,023
Other debtors	40,236	19,369
Prepayments and accrued income	260,475	36,328
	<u>1,144,286</u>	<u>629,720</u>

Amounts falling due after one year included above:

	1998 £	1997 £
Other debtors	<u>10,695</u>	<u>10,695</u>

10 Creditors: amounts falling due within one year

	1998 £	1997 £
Bank overdrafts	485,204	-
Trade creditors	612,688	103,950
Other taxation and social security	63,712	62,916
Other creditors	1,048	20,238
Accruals and deferred income	10,099	221,552
	<u>1,172,751</u>	<u>408,656</u>

The bank overdraft is secured by a specific charge over the company's assets.



WEATHERBEETA LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1998

Ellacott Stranks & Co. Chartered Accountants Banbury

11 Creditors: amounts falling due after more than one year

	1998 £	1997 £
Other liabilities		
Other loans	747,469	1,245,711
	<u>747,469</u>	<u>1,245,711</u>
Maturity of debt		
In one year or less, or on demand	-	-
- see note 10		
In five years or more	<u>747,469</u>	<u>1,245,711</u>
Amounts falling due after more than five years:		
Other loans	<u>747,469</u>	<u>1,245,711</u>

12 Deferred taxation

The company has no potential liability to deferred taxation.

13 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Loss for the financial year	(40,956)	(13,010)
New share capital subscribed	<u>612,280</u>	<u>-</u>
Net addition to/(subtraction from) shareholders' funds	571,324	(13,010)
Opening shareholders' funds	<u>73,979</u>	<u>86,989</u>
Closing shareholders' funds	<u>645,303</u>	<u>73,979</u>

WEATHERBEETA LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1998

14 Called up share capital

	1998		1997	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary £1 shares	2,000,000	2,000,000	2,000,000	2,000,000
Allotted called up and fully paid				
Ordinary £1 shares	712,280	712,280	100,000	100,000

During the year 612,280 ordinary £1 shares were issued at par to increase the company's capital base.

15 Profit and loss account

	1998 £
1st January 1998	(26,021)
Retained loss for the year	(40,956)
31st December 1998	(66,977)

16 Guarantees and other financial commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31st December 1999

	1998 Land and Buildings £	1997 Land and Buildings £
Expiring Within two to five years	86,486	86,486
	86,486	86,486

WEATHERBEETA LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1998

17 Notes to the cash flow statement

Reconciliation of operating profit
to operating cash flows

	1998 £	1997 £
Operating profit	75,855	45,288
Depreciation charges	16,131	15,981
(Profit)/loss on sale of fixed assets	(910)	358
Increase in stocks	(188,628)	(382,360)
(Increase)/decrease in debtors	(514,566)	82,806
Increase in creditors	278,891	50,470
Net cash outflow from operating activities	<u>(333,227)</u>	<u>(187,457)</u>

18 Notes to the cash flow statement (continued)

Analysis of changes in net debt

	At start of year £	Cash flows £	At end of year £
Cash at bank and in hand	63,679	127,631	191,310
Bank overdrafts	-	(485,204)	(485,204)
		<u>(357,573)</u>	
Debt due after 1 year	(1,245,711)	498,242	(747,469)
		<u>498,242</u>	
Total	<u>(1,182,032)</u>	<u>140,669</u>	<u>(1,041,363)</u>

Reconciliation of net cash flow to movement in net debt

	1998 £	1997 £
Decrease in cash in the year	(357,573)	(107,438)
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	498,242	(159,807)
Change in net debt resulting from cash flows	140,669	(267,245)
Net debt at 1st January 1998	<u>(1,182,032)</u>	<u>(914,787)</u>
Net debt at 31st December 1998	<u>(1,041,363)</u>	<u>(1,182,032)</u>

WEATHERBEETA LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1998

19 Ultimate parent undertaking

The company's ultimate parent company at the balance sheet date was Alistair Somerset Pty Limited, a company registered in Australia.

20 Related parties

- a. During the year the company traded with Euroclip Limited of which J.E. Singleton is a director. All transactions were at market value and on an arms length basis:

	£
Purchases	25,498
Expenses recharged	6,098
Management fees	74,954
Loan outstanding at the year end	213,264

- b. During the year the company traded with Euroclip 2000 Limited of which J.E. Singleton is a director. All transactions were at market value and on an arms length basis:

	£
Expenses recharged	1,144
Management fees	84,988
Trade creditor at year end	13,878

- c. During the year the company traded with Weatherbeeta Pty Limited of which M. Bucknall, G. Sinclair, J. Kennard and R. Bates are directors. All transactions were at market value and on an arms length basis:

	£
Loan interest	106,422
Royalties	201,556
Advertising	12,664
Loan outstanding at year end	534,205

- d. During the year the company traded with Weatherbeeta USA and Weatherbeeta New Zealand Limited of which M. Bucknall, G. Sinclair, J. Kennard and R. Bates are directors. All transactions were at market value and on an arms length basis:

		£
Weatherbeeta USA -	Sales	11,460
	Trade debtor	11,460
Weatherbeeta NZ Ltd -	Sales	425
	Trade debtor	425

- e. During the year the company traded with Bates Saddlery of which R. Bates is a director. All transactions were at market value and on an arms length basis:

	£
Purchases	229,120
Advertising recharge	7,500
Trade creditor	12,897

